

**PRECOUNCIL  
SALE OF K STREET COMPLEX  
Monday, November 28, 2005  
4:00 p.m.**

**Present:** Mayor Seng, Ken Svoboda, Patte Newman, Jon Camp, Jonathan Cook, Annette McRoy, Dan Marvin, Robin Eschliman, Marc Wullschleger, Dallas McGee, Dana Roper, Joel Pedersen, Don Herz, Ann Harrell, Mark Bowen, Polly McMullen, Katie Halperin, Matt Maude, Deena Winter, Kristi Nydahl

The precouncil was called to order by Ken Svoboda at 4:08 p.m. Mayor Seng stated that there is a better use for the K Street building than its current warehouse use. She indicated that this is an opportunity for everyone to think about how the building could best be used. The Mayor stated that the building is approaching its capacity for records storage.

Further, Mayor Seng stated that if the Council supports the conversion of this property from a warehouse to private residences, the administration will negotiate the details and ensure that all the contingencies outlined in the agreement are met in full.

Ken Svoboda explained that the original intent was to go into executive session because two council members are on the Public Building Commission so that those two members could share what they learned in the Public Building Commission executive session.

Jonathan Cook noted the two things needed to be discussed in Executive Session: the appraisal and what it contains; and legal questions involving possible litigation.

Robin Eschliman asked what offers were received in June. Pedersen replied that the names of the submitters are on the City's website. Details of the offers cannot be shared.

Newman asked if the DEC has authority to sell energy to a private party; she also asked if the City has authority to lease parking to a third party or private entity. Pedersen responded that both questions have been asked of the City's bond counsel, Loren Wismer and that Wismer has given us a verbal answer and will be putting it in writing. However, Pedersen said that is a topic more appropriate for executive session.

Camp suggested going through an RFP process now to see what kind of interest there is. Pedersen answered that this would not be in the City's best interest. Pedersen stated the proposers went to a great amount of effort to submit their proposals.

McRoy asked about the net proceeds and how they could be used. McGee responded that first existing bonds would be paid off and payment would be made for the relocation costs of all the materials in the building to the new facility. He stated that after this is done, approximately \$1.8 million would remain.

Herz explained that after the sale of the existing building, we would have approximately \$1.8 million. The current operational costs were compared with information on leasing a similar space. Herz stated the difference was estimated at \$85,000. That does not include property tax receipts received from K Street if it were put on the tax roles. An additional \$72,000 annually would be generated for the City and County from property tax receipts.

Svoboda raised the idea of getting out of the records storage business and terminating the agreement with the State of Nebraska. Pedersen responded that there is a termination provision. It was deemed this question would have to be handled in Executive Session.

Marvin asked what happens if the State were out of the picture. Herz responded that they did the analysis with the State still involved. Without them, a smaller facility would be needed.

Cook asked why the appraisal can't be made public since we have a signed purchase agreement with the prospective buyer. Pedersen responded that the agreement has not been approved by the City Council which does not make it a completed agreement.

Cook then asked if there have been any negotiations with the County or State and how will they be made whole. Pedersen responded that as the owner of the property, the City's best interests should come first.

At 4:40 p.m. Dan Marvin moved to go into Executive Session. Annette McRoy seconded the motion. It passed by unanimous voice vote.

Executive Session was adjourned at 5:25 p.m.